

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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you...maybe you said this, Senator Landis, a custodial trust, I'm in the process of setting up...

SENATOR LANDIS: You'd like to know this, would you, huh?

SENATOR HARTNETT: Yeah, that's right, and what...does it pass it on to someone else?

SENATOR LANDIS: You can.

SENATOR HARTNETT: Could I give...is that what it means by this? Couldn't you explain it, I guess?

SENATOR LANDIS: Sure, I'll try it again.

SENATOR HARTNETT: Okay.

SENATOR LANDIS: Remember that this will not be an instrument for passing on death unless you stick it in the trust. You'll want to put that in your will. But a custodial trust is for the care of somebody...

SENATOR HARTNETT: Okay. All right.

SENATOR LANDIS: ...for a period of time. Let me give you the two examples and it can happen when you've got property that you own and you want somebody to take care of that property and give you the benefit of it. I own a hundred thousand bucks of property. I transfer it to a trustee, who is a good manager, and then I say, and I'm the beneficiary; give me the money. I don't handle this stuff very well. I, you know, I'm a little older. I don't want to keep up with the tax laws quite so much. I'm going to turn this property over to you, trustee. You handle it and give me the income. I write that in the Uniform Custodial Trust Act that's in there. You can write it out for yourself in the bill. Second form: I'm going to take \$100,000 of what I owe, I'm going to put it into a trust, and I'm going to give the benefits of that to somebody I love, a beneficiary. Those are the two circumstances in which you can use this mechanism. It tops out at \$100,000. It is not an instrument to be used, for example, like a will. You're going to have to dispose that hundred thousand bucks in your will, generally.